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Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/715,837

Applicant(s)

GUPTA, PIYUSH

Examiner

Yogesh C Garg

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 16 November 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-33 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-33 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. §§ 119 and 120

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.
- 13) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.  
a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☒ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_ 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Specification***

1. The abstract of the disclosure is objected to because the abstract exceeds 150 words in length. Correction is required. See MPEP § 608.01(b). Applicant is reminded of the proper language and format for an abstract of the disclosure.

### ***Claim objections***

2. Claims 1, 18, 19, 20, 21, and 33 are objected to because of the following informalities:

In claims 1 and 20, "sell will sell" in line 11 on page 27 and line 12 on page 31 respectively should read "seller will sell".

Claim 18 recites the limitation, "the lowest offer price" in line 3 on page 31. There is insufficient antecedent basis for this limitation in the claim. As best understood by the examiner this limitation should read, "said offer price which is the least among the said accepted offers from each said seller". This claim will be further treated on merits accordingly.

In claim 19 "The method as claim in claim 18" in line 1 on page 31 should read "The method as claim in claim 1" because the limitation recited in claim 19 further limits the claim 1 and not claim 18.

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In claim 21, " on of said offers" in line 6 on page 32 should read "one of said offers".

In claim 33, " feed" in line 6 on page 32 should read "fee".

All the above claims will be further treated on merits as suggested. Appropriate corrections are required.

***Claim Rejections - 35 USC § 101***

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 10, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 31, and 32 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of

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whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In *re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a

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§101 rejection finding the claimed invention to be non-statutory. See Ex parte Bowman, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 1, 10, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 31, and 32 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. The steps of listing products, accepting a request and a reserve/acceptable price from a consumer, distributing the price to sellers, accepting offers from sellers, consummating the transactions, displaying list of offers to the consumer, etc. could be performed manually without involving any technological arts. Therefore, the claims 1, 10, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 31, and 32 are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as incorporating computerized/electronic systems methods to perform the recited steps.

***Claim Rejections - 35 USC § 112***

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 32 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 32, which is a dependency of independent claim 20, recites the limitation, "receiving at least one offer with an offer price less than the reserve price" in line 3 on page 34 and "if no offer price is at or below said acceptable price" in lines 6-7 on page

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34. These two limitations are inconsistent because if an offer is already received less than the reserve/acceptable price (Independent claim 20 specifies that the reserve price comprises acceptable price.) then the step of displaying offers to consumer is irrelevant. The step of displaying offers is performed only when offers received are not equal or below the reserve/acceptable price. This inconsistency renders the claim 32 indefinite and unclear.

Note: As best understood by the examiner the limitation of claim "receiving at least one offer with an offer price less than the reserve price and at least one other offer from sellers and therefore performing the substeps of displaying a set of offer prices from said sellers to said particular consumer after said first predetermined time limit has expired if no offer price is at or below said acceptable price " in lines 3-7 on page 34 should be replaced by ---receiving said offers, with offer prices higher than the said acceptable price from sellers and therefore performing the substeps of displaying a set of offer prices from said sellers to said particular consumer after said first predetermined time limit has expired if no offer price is at or below said acceptable price---and this claim will be further treated on merits accordingly.

### ***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the



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invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**5.1.** Claims 1-17, 19, 20-31, and 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker, (US Patent 5,794,207) and in view of Rackson et al. (US Patent 6,415,270), hereinafter, referred to as Rackson.

**Regarding claim 1,** Walker teaches a method of performing electronic commerce (See abstract at least), said method comprising:

listing a set of available goods to a set of consumers (see at least col. 16 lines 3-7 and Fig.5 box 515, steps 510 and 520, "*buyer selects the subject of goods ..... from a list of possible subjects*);

accepting a request for a specific product from a particular consumer; accepting a reserve price for said specific product from said particular consumer, said reserve price comprising a price acceptable to said particular consumer (see at least col. 15 line 49-50, Fig. 1, Conditional Purchase Order, "*The buyer logs ..... creates CPO 100*". Note: The examiner has considered the CPO-Conditional Purchase order - as a request for said specific goods with a specified price in it and the specified price corresponds to the reserve/acceptable price. Also see col.16 lines 49-51, Fig.5, "*At step 550 the buyer enters a price....*");

distributing said request for said specific product and said reserve price to a set of approved sellers (see at least col.9 lines 5-16, "*The central controller..... and globally displays CPO... available to be viewed by any potential sellers.....In one embodiment, the seller may be required to provide qualifications in order to view the CPOs ....*".);

accepting, for a predetermined time period, one offer from each said seller in said set of sellers, each said offer comprising an offer price specifying a price at which an associated seller will sell said specific product (see at least FIG.10, " *steps 1010-Central Controller receives seller response* ", FIG.18, " *Step 1830-Central Controller receives seller counteroffer ....*", col. 19, lines 13-28, " *..... At step 1000, the potential seller selects CPO 100 which he would like to bind, developing seller response 110 .....* *At step 1010, central controller 200 receives seller response 110 from the potential seller. Central controller 200 then timestamps seller response 110 .....* *If two seller responses 110 are received within a few seconds of each other, the timestamp allows central controller 200 to decide which was received first.....* " and col. 22, line 40-col.23, line 5 " *.....sellers respond to CPO 100 not by binding it, but by making a counteroffer with modified and/or additional conditions. ....FIG. 18 illustrates the development of counteroffer 140. .... Central controller 200 receives counteroffer 140 at step 1830, setting the status to "active." Central controller 200 then adds a unique tracking number to counteroffer 140 at step 1840, and stores it in counteroffer database 267 at step 1850. ....* ". Note: Here, Walker discloses receiving an offer from each seller from a set of sellers at an offer price at which the said seller wants to sell the specific product. As regards the predetermined time see col.17, lines 48-64, " *CPO database 265 contains a record for each CPO 100, and includes fields such as status....**expiration date**,* ". The expiration date specified in the CPO corresponds to the predetermined time. Also see col.20, lines 5-15 and col.16, lines 37-41, " *... Conditions could also indicate **that for twenty-four hours** following the first attempted bidding of CPO 100, other sellers may make offers to bind....* ); and consummating a transaction if at least one of said offers contains an offer price at reserve price (see at least col.15, lines 56-59, and also col.19, lines 13-17, Figs.10 and 11, " *Seller responses 110 are transmitted .....* *which contacts the buyer to indicate that CPO 100 has*

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*been bound .....transfers credit card information to seller .....as soon as CPO 100 is bound". Note: The acceptance of CPO by the seller corresponds to an offer from seller at the reserve price.).*

Walker does not explicitly show that the said offers from sellers contain an offer price less than said reserve price. However, in the field of same endeavor that is buyer driven systems via electronic networks, Rackson teaches receiving offers from sellers at a price lower than the reserve price (see at least col.22, lines 49-67, "*... In a normal reverse auction, the buyer describes the item they wish to purchase. Criteria may be inputted such as maximum price (similar to a reverse reserve price), or the buyer may list no criteria. The sellers then have an opportunity to offer the item competitively in a format analogous to a bidder bidding on the item. The buyer can accept or reject the offer. .... When a particular seller on a particular site offers on the item, the multi-auction service will use the bid replication methodologies previously discussed to duplicate his marginally lower offer on the other remote auction services, driving down the price for the buyer in all contemporaneous auctions. ....*". Note: Rackson discloses that in a reverse auction sellers compete for the buyer's business by offering competitive prices lower than the reserve price.). In view of Rackson, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Walker to also include the concept of receiving offers from sellers not only at the reserve price but lower than the reserve price because it will help buyer to buy his products at the best possible price by allowing sellers to compete as demonstrated in Rackson.

**Regarding claim 2,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and

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discussed in claim 1 above. Walker further discloses that listing a set of available products comprises operating a World Wide Web site with a catalog of products (See at least col. 13 lines 13-22, "...*Seller database 260 maintains data on sellers....Contact information comprises .... **web page URL**.... so that central controller 200 can quickly determine .....capable of satisfying CP0100*". Note: Seller's have a web site where their products are listed.).

**Regarding claim 3**, Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and discussed in claim 2 above. Walker further discloses that said catalog of products is searchable (see at least FIG.5, "*Step 510-Selects subject of goods*" and "*Step 515-Airline Ticket, Hotel room, Rental car, Insurance, Mortgage*" and col. 16, lines 3-7, "...*At step 510, the buyer selects the subject of the goods he wants to purchase by selecting from a list of possible subjects. As shown in box 515, subjects might include airline tickets, hotel rooms, rental cars, insurance, mortgages, clothing, etc. After the subject is selected,.....*". Note: selecting of the tickets or hotel rooms, etc. from a list of these prospects corresponds to the fact that said catalog of products is searchable.).

**Regarding claim 4**, Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and discussed in claim 2 above. Walker further discloses that said World Wide Web site comprises a hierarchical directory of products (see at least FIG.5, "*Step 510-Selects subject of goods*" and "*Step 515-Airline Ticket, Hotel room, Rental car, Insurance, Mortgage*" and col. 16, lines 3-7, "...*At step 510, the buyer selects the subject of the goods he wants to purchase by*

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*selecting from a list of possible subjects. As shown in box 515, subjects might include airline tickets, hotel rooms, rental cars, insurance, mortgages, clothing, etc. After the subject is selected,.....".* Note: The listing of products such as tickets or hotel rooms, etc. as shown in FIG.5 corresponds to the hierarchical directory or products because by selecting/clicking any one of these categories the user can get further details on the selected/clicked category of items.).

**Regarding claim 5,** Walker in view of Rackson r teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and discussed in claim 1 above. Walker further discloses that accepting a request for a specific product from a particular consumer comprises receiving an HTML form (see at least col.12 lines 10-12, *"In one embodiment..... operates as a web server, both receiving and transmitting CPOs 100 generated by buyers."* Note: Web servers comprises receiving information in HTML form.)

**Regarding claim 6,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and discussed in claim 1 above. Walker further discloses creating a web page that specifies said request for said specific product and said reserve price (see at least col.12 lines 10-12, *"In one embodiment..... operates as a web server, both receiving and transmitting CPOs 100 generated by buyers."* Note: Web servers comprises receiving information on generated web pages.).

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**Regarding claim 7,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and discussed in claim 1 above. Walker further discloses sending an email to at least one seller that specifies said request for said specific product and said reserve price (col.18, lines 26-28, "*...In an alternative embodiment, CPO 100 is electronically mailed to potential sellers, either individually or in groups. ...* ").

**Regarding claim 8,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and discussed in claim 1 above. Walker further discloses receiving an email that specifies an offer price for said specific product (col. 9 lines 51-53, "*.....The present invention can also be practiced in off-line embodiments. Instead of using electronic mail or web-based servers, buyers and sellers may communicate with the central controller via telephone, facsimile, postal mail, or another off-line communication tool. ....* "). Note: Here Walker is suggesting that email and web page are the preferred methods of communicating with sellers and buyers. ).

**Regarding claim 9,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and discussed in claim 1 above. Walker further discloses receiving an HTML form page that specifies an offer price for said specific product (see at least col.12 lines 10-12, "*In one embodiment..... operates as a web server, both receiving and transmitting CPOs 100 generated by buyers.*"). Note: Web servers comprises receiving and sending information in HTML form

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to sellers websites. As regards seller's websites see at least col. 13 lines 13-22,

"....Seller database 260 maintains data on sellers....Contact information comprises .... **web page**

**URL**.... so that central controller 200 can quickly determine .....capable of satisfying CP0100.").

**Regarding claim 10**, Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and discussed in claim 1 above. Walker further discloses displaying a list of offers to said particular consumer if no offers are below said reserve price (see at least col.22, line 40-col.23, line 5, "*....In one embodiment of the present invention, sellers respond to CPO 100 not by binding it, but by making a counteroffer with modified and/or additional conditions. An airline, for example, might view CPO 100 for a first class ticket for five hundred dollars. The airline may be willing to sell for six hundred dollars, .....FIG. 18 illustrates the development of counteroffer 140. ... For example, a car rental company might take the buyer's request for a ten dollar per day luxury car and counteroffer with a twenty dollar per day compact car. .... Central controller 200 receives counteroffer 140 at step 1830, ..... Central controller 200 extracts the tracking number of CPO 100 attached to counteroffer 140 in order to find the buyer to whom counteroffer 140 is transmitted at step 1860. "* Note: Counter offers offered by sellers are higher than the reserve price and the same are conveyed to the buyer which corresponds to displaying a list of offers which are higher than the reserve price.).

**Regarding claim 11**, Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and discussed in claim 10 above. Walker further discloses that displaying a list of best offers

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comprises sending an email message specifying said a list of offers to said particular consumer (see at least col.14, lines 8-29, "*Network interface 245 is the gateway to communicate with buyers and sellers through respective buyer interface 400 and seller interface 300. .... Several commercial electronic mail servers include the above functionality. .... network interface 245 may be configured as a voice mail interface, web site, BBS, or electronic mail address* ". Note: Walker discloses use of electronic mail system for communication with both buyers and sellers).

**Regarding claim 12,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and discussed in claim 10 above. Walker further discloses that displaying a list of best offers comprises generating a web page specifying said a list of offers (see at least col.15, lines 45-52, "*..... In one embodiment of the present invention, communications between buyers and sellers take place via electronic networks, with central controller 200 acting as a web server. .... CPO 100 is made available to potential buyers by posting CPO 100 on the web page of central controller 200.* ". Note: Walker discloses using web server and web page architecture to communicate with buyers and sellers.).

**Regarding claim 13,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer and displaying a list of offers to said particular consumer if no offers are below said reserve price as analyzed and discussed in claim 10 above. Walker further discloses receiving a designation of one of said offer prices from said particular consumer and consummating a transaction between said particular consumer and a seller that offered said



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designated offer price (col.23 lines 6-18, Figs. 18, 19 and 12, " *the buyer decides whether or not to bind counteroffer 140..... buyer response 150 is transmitted to central controller 150 .....* *Purchase confirmation 120 is transmitted to the seller at step 1950 and transmitted to the buyer at step 1960.....*". Note: In the "Counteroffer Embodiment" sellers respond to CPO by making counteroffers and then the buyer has the choice to select the best counteroffer and conclude by agreeing to place an order).

**Regarding claim 14**, Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer and receiving a designation of one of said offer prices from said particular consumer and consummating a transaction between said particular consumer and a seller that offered said designated offer price as analyzed and discussed in claim 13 above. Walker further discloses that identification information associated with said particular consumer is provided to said seller that offered said designated offer price only after said particular consumer has designated said seller (see at least col.19, lines 55-60, wherein Walker teaches allowing sellers to correspond directly with buyers. In order to do so the identification information of the buyers stored in the buyer database (See col.13, lines 1-10) would have to be provided to sellers enabling them to communicate with buyers who have requested for the said product at said reserve price.

**Regarding claim 15**, Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer and receiving a designation of one of said offer prices from said particular consumer and consummating

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a transaction between said particular consumer and a seller that offered said designated offer price as analyzed and discussed in claim 13 above. Walker further discloses that identification information associated with said seller that offered said designated offer price is provided to said particular consumer only after said particular consumer has designated said seller (see at least col.19, lines 55-60, wherein Walker teaches allowing sellers to correspond directly with buyers. In order to do so the identification information of the seller stored in the seller database (See col.13, lines 11-22) would have to be provided to sellers enabling them to communicate with buyers who have requested for the said product at said reserve price.

**Regarding claim 16,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and discussed in claim 1 above. Walker further discloses accepting a transaction fee after consummating said transaction (see at least col.20, lines 16-29, "*...In one embodiment, a flat fee is charged for every CPO 100 submitted. There could also be flat fees that would cover any number of CPOs 100 over a given period of time, .....*").

**Regarding claim 17,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer as analyzed and discussed in claim 1 above. Walker further discloses accepting a consumer registration, said consumer registration comprising information from a consumer required to consummate a transaction between said consumer and a seller (see at least col.16, lines 51-58, "*... The ID number is received from central controller 200 when the buyer registers for the*

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service.....Central controller 200 maintains a database of buyer ID numbers in a buyer database 225.....

). " .

**Regarding claim 19,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer and consummating a transaction if at least one of seller's offers contains an offer price less than said reserve price as analyzed and discussed in claim 1 above. Walker further discloses consummating an offer received earlier in time if there are two equal lowest offers (see at least col.19, lines 21-25, *"The timestamp allows central controller 200 to determine the first unconditional acceptance to be received. If two seller responses 110 are received within a few seconds of each other, the timestamp allows central controller 200 to decide which was received first."* . Note: Walker discloses here that if two sellers offer the same price the offer received earlier in time is considered for consummating the offer. ).

**Regarding method claim 20,** all the limitations are already covered in method claim 1 except for the limitation " until said particular consumer accepts one of said offers or a first determined time limit expires . Walker also discloses these limitations (See at least col.23, lines 6-18, *"FIG. 19 illustrates the process by which the buyer responds to counteroffer 140. At step 1900, the buyer decides whether or not to bind counteroffer 140. If he does not bind, counteroffer 140 is transmitted back to the potential seller at step 1910. If the buyer does decide to bind, buyer response 150 is transmitted to central controller 200 at step 1920. At step 1930, finds are removed from buyer account 297 and placed in seller account 298. At step 1940, the status of counteroffer 140 is changed to "completed." ... Note: changing the status of CPO to*

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"completed" after accepting the offer corresponds to accepting offers from sellers until consumer accepts one offer as claimed. As regards the limitation of expiration of first predetermined time, it has already been covered in claim 1 above. Therefore, claim 20 is rejected as being unpatentable over Walker in view of Rackson as explained above and on the basis of same rationale discussed for claim 1 above.

**Regarding claim 21,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer and consummating a transaction if at least one of seller's offers contains an offer price less than said reserve price as analyzed and discussed in claim 20 above. Walker further discloses displaying a set of offer prices from said sellers to said particular consumer after said first predetermined time limit has expired if no offer price is at or below said acceptable price (see at least col.22, line 40-col.23, line 5, *"....In one embodiment of the present invention, sellers respond to CPO 100 not by binding it, but by making a counteroffer with modified and/or additional conditions. An airline, for example, might view CPO 100 for a first class ticket for five hundred dollars. The airline may be willing to sell for six hundred dollars, ....FIG. 18 illustrates the development of counteroffer 140. ... For example, a car rental company might take the buyer's request for a ten dollar per day luxury car and counteroffer with a twenty dollar per day compact car. .... Central controller 200 receives counteroffer 140 at step 1830, ..... Central controller 200 extracts the tracking number of CPO 100 attached to counteroffer 140 in order to find the buyer to whom counteroffer 140 is transmitted at step 1860. "*. Note: Counter offers offered by sellers are higher than the reserve price and the same are conveyed to the buyer which corresponds to displaying a list of offers which are higher than the reserve price.) ;

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allowing said particular consumer to select one of said offers (*See at least col.23, lines 6-18, "FIG. 19 illustrates the process by which the buyer responds to counteroffer 140. At step 1900, the buyer decides whether or not to bind counteroffer 140. If he does not bind, counteroffer 140 is transmitted back to the potential seller at step 1910. If the buyer does decide to bind, buyer response 150 is transmitted to central controller 200 at step 1920....."*). Note: The step of binding the counteroffer from the seller corresponds to selecting of said offers.).

**Regarding claim 22,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer and consummating a transaction if at least one of seller's offers contains an offer price less than said reserve price as analyzed and discussed in claim 20 above. Walker further discloses immediately consummating a transaction between said particular consumer and a particular seller if said particular consumer accepts an offer from said particular seller (*See at least col.23, lines 6-18, "FIG. 19 illustrates the process by which the buyer responds to counteroffer 140. At step 1900, the buyer decides whether or not to bind counteroffer 140. If he does not bind, counteroffer 140 is transmitted back to the potential seller at step 1910. If the buyer does decide to bind, buyer response 150 is transmitted to central controller 200 at step 1920. At step 1930, finds are removed from buyer account 297 and placed in seller account 298. At step 1940, the status of counteroffer 140 is changed to "completed." ...* Note: changing the status of CPO to "completed" after accepting the offer corresponds to immediately consummating a transaction between said particular consumer and a particular seller).

**Regarding claims 23-30**, their limitations are already covered in the claims 2-9 respectively above and are therefore, analyzed and rejected as being unpatentable over Walker in view of Rackson on the basis of same rational.

**Regarding claim 31**, Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer and consummating a transaction if at least one of seller's offers contains an offer price less than said reserve price as analyzed and discussed in claim 20 above. Walker further discloses immediately consummating a transaction after said first predetermined time period has expired and only one offer has been received (see at least col.19, lines 13-23, " ... *Central controller 200 receives seller response 110....Central controller 200 then time stamps seller response 110 and authenticates the identity of the seller.. The timestamp allows central controller 200 to determine the first unconditional acceptance to be received* ". Note: Accepting, authenticating and time stamping the first unconditional acceptance of CPO from a seller corresponds to immediately consummating on receipt of one acceptable offer. The other limitations such as expiration of first predetermined time and that the offer price is lower than the reserve price are already covered in claim 20 earlier.

**Regarding claim 33**, its limitations are already covered in the claim16 above and is therefore analyzed and rejected as being unpatentable over Walker in view of Rackson on the basis of same rational.

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5.2. Claims ~~18~~<sup>is</sup> are rejected under 35 U.S.C. 103(a) as being obvious over Walker in view of Rackson and further in view of Official Notice.

**Regarding claim 18,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer and consummating a transaction if at least one of seller's offers contains an offer price less than said reserve price as analyzed and discussed in claim 1 above. Walker in view of Rackson as applied to claim 1 does not explicitly disclose consummating an offer containing said offer price which is the least among the said accepted offers from each said seller. However, Official Notice is taken of the old and well-known concept and benefits of consummating an offer containing the lowest offer price. It is a well-known fact that a buyer chooses the lowest priced offer for an item if a plurality of offers for the same item are available to him for the obvious reason of getting the item at cheaper price. In view of the Official Notice it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Walker in view of Rackson as applied to claim 1 to include the feature of consummating an offer containing the lowest offer price because, as explained above, to save money.

5.3 Claim 32 is rejected under 35 U.S.C. 103(a) as being obvious over Walker in view of Rackson and in view of Alaia et al (US Patent 6,230,147), hereinafter, referred to as Alaia and in further view of Official Notice.

**Regarding claim 32,** Walker in view of Rackson teaches a method of conducting an electronic commerce by matching buyer's request with seller's offer and consummating a transaction if at least one of seller's offers contains an offer price less than said reserve price as analyzed and discussed in claim 20 above. Walker in view of Rackson as applied to claim 20 further discloses:

receiving at least one offer with an offer price less than the reserve price and at least one other offer from sellers and therefore performing the substeps of displaying a set of offer prices from said sellers to said particular consumer after said first predetermined time limit has expired if no offer price is at or below said acceptable price (already covered and analyzed in claims 20 and 21 above);

Walker in view of Rackson as applied to claim 20 does not disclose allowing, for a second predetermined time limit, said particular consumer to select one of said offers; consummating a transaction between said particular consumer and a selected if said particular consumer selects one of said offers during said second predetermined time limit. However, Alaia in the field of same endeavor, teaches allowing, for a second predetermined time limit, said particular consumer to select one of said offers;

consummating a transaction between said particular consumer and a selected if said particular consumer selects one of said offers during said second predetermined time limit (see at least col.4, lines 23-40, " *The possible bidding statuses are illustrated in*

*FIG. 5. .... In the normal sequence of an Auction, the next bidding status is "Open," which indicates that the Auction is underway and that bids can be submitted for the lot. There are two possible bidding statuses to which a lot with an "Open" status can change: "Overtime" and "Closed." Overtime indicates an extension of time to allow bidding to continue after the scheduled closing time for bidding on the lot.*



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*If bidding is still active at the end of a first Overtime period of predetermined duration, the server application allows a second Overtime, and so on, until bidding has closed. "Closed" indicates that the server application will no longer accept bids on the lot. A lot's status changes from Overtime only to Closed. "* . Note: "overtime " status in Alaia corresponds to allowing for a second predetermined time limit to allow sellers to submit bids and the buyer to select an offer and consummate a transaction when the buyer selects one offer in the second predetermined time limit ). In view of Alaia, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Walker in view of Rackson as applied to claim 20 to incorporate the feature of allowing a second predetermined time limit allowing the buyers to select offers and consummate transaction because it allows flexibility to the system to allow some additional time to sellers to bid better/lower prices if earlier have not been accepted by the buyer and is beneficial to buyers in increasing the possibility of getting an acceptable price.

Walker in view of Rackson and in further view of Alaia as applied to claim 32 does not explicitly disclose consummating a transaction between said particular consumer and a seller that offered a lowest offer price if said particular consumer does not select one of said offers during second predetermined time limit. However, Official Notice is taken of the old and well-known concept and benefits of consummating an offer containing the lowest offer price. It is a well-known fact that a buyer chooses the lowest priced offer for an item if a plurality of offers for the same item are available to him for the obvious reason of getting the item at cheaper price. In view of the Official Notice it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Walker in view of Rackson as applied to

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claim 1 to include the feature of consummating an offer containing the lowest offer price because, as explained above, to save money.

### ***Conclusion***

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

WO 99/23595 to Walker et al. discloses a system and a method matching buyer's requests with the sellers' offers (see at least abstract)

US Patents 5,835,896 to Fisher et al. and 5,890,138 to Godin et al. discloses online methods and system for conducting auctions.

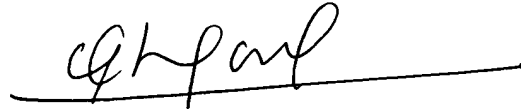
Press-release, " King Auction in Reverse"; Electronic Commerce News; Potomac; Nov 8, 1999 extracted from [http:// proquest.umi.com](http://proquest.umi.com) on 05/22/2001 and Anonymous; "Reverse auction should drive prices down"; Purchasing; Boston; Nov 04, 1999 extracted from [http:// proquest.umi.com](http://proquest.umi.com) on 05/22/2001 disclose conducting reverse auction on the Internet

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yogesh C Garg whose telephone number is 703-306-0252. The examiner can normally be reached on M-F(8:30-4:00).

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn W Coggins can be reached on 703-308-1344. The fax phone number for the organization where this application or proceeding is assigned is 703-305-7687.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

A handwritten signature in black ink, appearing to read 'Yogesh C Garg', written over a horizontal line.

Yogesh C Garg  
Examiner  
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YCG